Vice President for Research and Economic Development

Iowa State University's System for Economic Development

Presented to: Iowa House and Senate Economic Growth Committees and Economic Development Appropriations Subcommittees

Presented by: John Brighton, Ph.D.

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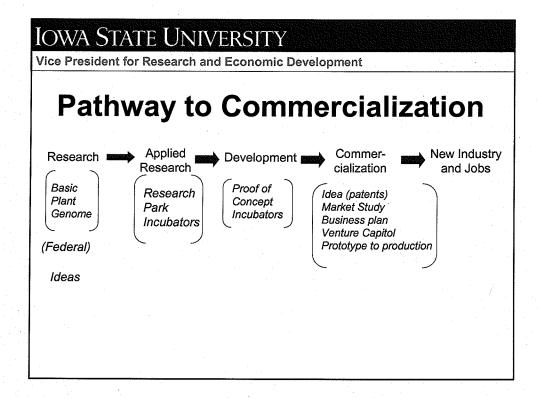
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ISU Research & Economic Development Infrastructure

- People
 - Scientists, Engineers, Economists
- Equipment
 - Instruments Computers, Laboratories
- · Support Units
 - IP, Patents, Grants, Compliance
- Networks
 - Expertise, Assistance, Collaboration



Iowa State University

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Investment In ISU For Success

- Core **Economic Development** Programs
- Continuation of Grow Iowa Values Fund
- Support for Battelle Initiatives
- Support for the BioFuels opportunity
- Core Funding to support university

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Core Ec/Dev Programs

- IPRT Company Assistance
- ISU Research Park
- Small Business Development Center

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Tom Barton, Director

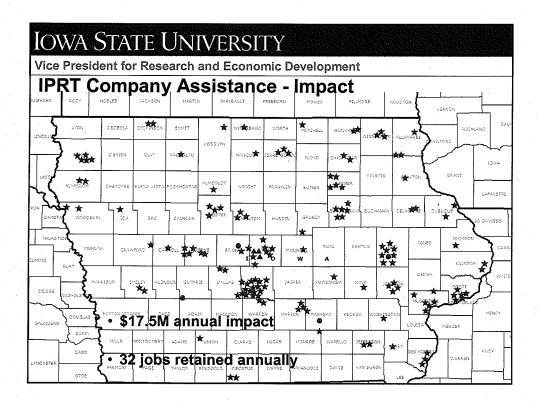
IPRT Company Assistance

Mission

- IPRT Company Assistance is the industry outreach arm of IPRT (a federation of scientific research centers). It is a project-oriented, client-driven technical outreach program for companies and entrepreneurs in lowa.
- Provide cost-sharing funds for research & development projects with lowa industry and no-cost technical assistance for projects up to 40 hrs
- Each year IPRT Company Assistance:
 - Conducts approximately 120 no cost technical assistance projects
 - Provides cost-sharing funds for approximately 30 research & development project

FY06 Appropriation

\$800,000



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IPRT Company Assistance - Impact

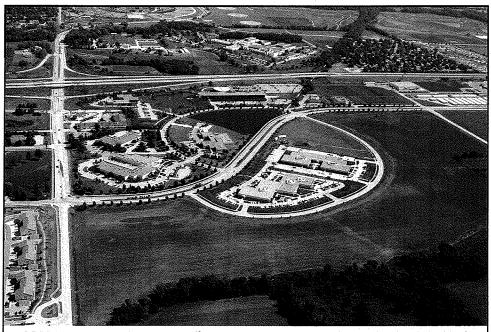
- Deere & Company, Waterloo
 - Seeking a nondestructive evaluation method to replace existing process.
 - Assistance provided showed that a nondestructive ultrasound measurement is a viable replacement, which has the potential for dramatic savings.

Four All Seasons, Holstein

- Provided testing and documentation of company's Bio-Source Natural Fertilizer.
- Data provided helped market product and provided a valuable third-party comparison. New product launched in 2006.

Marion Mixers, Marion

- Attachment of the ribbon to the shaft of a mixer blade failed.
- IPRT scientists provided an analysis and company was able to reconcile a critical issue with a customer.



ISU Research Park – 7th largest research park located at a land grant university

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Steve Carter Director

ISU Research Park

Mission

ISURPC will provide an environment where established technology-related organizations and science and technology entrepreneurial ventures can develop and prosper in lowa.

Budget

- State Appropriation \$143,000
- Grow Iowa Values Funds \$200,000
- Self Generated \$2.4 million

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ISU Research Park - Impact

- More than 325,000 sq. ft. of business and incubator space
- Has served 151 companies that currently employ more than 2000 people
- 42 current tenants that employ more than 600 people
- 40 companies have moved from the Research Park employing 1400 people

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Jon Ryan State Director

Small Business Development Centers

Mission

- Comprehensive, statewide resources which help entrepreneurs start, operate, and grow their businesses & help existing businesses expand and grow
- Are the only nationally-accredited entrepreneurial development organization in lowa
- Are located by Iowa State University (since 1981) via a contract with the U.S. Small Business Administration
- Have regional assistance centers across the state

FY06 Appropriation

• \$1,000,000

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Small Business Development Centers

Impact, in one year, for companies working with the SBDC:

- Created 1,001 new jobs and retained/saved 351 jobs
- Increased sales \$125.3M
- Saved/retained \$6.4M in sales
- · Received more than \$41M in outside financing
- Grew 24% faster than the average lowa existing business
- Had a benefit-to-cost ration of \$4.41 returned in tax revenues for every \$1 invested in the SBDC

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New Initiatives

- Battelle
- Grow Iowa Values Fund

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Battelle

Strategy -

- · Build research capabilities in targeted platforms
- Build upon BAI efforts and establish similar efforts in IT and advanced manufacturing
- · Increase the quality and quantity of research in the platform areas

Expected Results

- Expanded research and development capabilities in targeted platform areas
- · Increase industry/university collaboration
- · Increase research funding

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Battelle

2005

- \$700,000 Wellness Center Advanced Food & Feed
- \$ Animal Systems
- \$ BioSecurity

2006

\$6.41M (3.69M Project funds & \$2.72M Infrastructure funds)

Advanced Food & Feed \$1,007,000
 Advanced Manufacturing \$100,000
 Animal Systems \$620,000
 BioEconomy \$2,012,000
 BioSecurity \$944,000
 Information Technology \$1,727,000

· \$2M Endowed Chair funds

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Ruth MacDonald, ISU Platform Leader



Michael Budnick, Proliant Platform Leader

Advanced Food & Feed

Mission

- Develop novel foods and food ingredients and evaluate their impact on human health
- Develop improved animal feeds to optimize products
- Support and encourage food related industry in lowa.

Budget

- 2005: \$700,000 to establish the Nutrition and Wellness Research Center
- 2006: \$665,000 for staff and research projects
- 2006: \$350,000 for NWRC Director startup funds

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Advanced Food & Feed

Impact:

- Renovation of NWRC facility in the ISU Research Park began Nov 2006, expect completion March 2007
- Search for NWRC Director began Nov 2006, expect hire by May 2007
- Two new faculty positions in nutrition and health are open
- Symposium on "Advances in Slowly Digested Starch" scheduled for May 2007
- Four research projects underway related to advanced carbohydrates for health – all with industry partnerships
- · Partnerships with companies developing

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Research Projects

- Designing corn lines with resistant starch to produce ethnic foods with enhanced health benefits
 - Genetic Enterprises International
- · Flaxseed lignans for health
 - Archer Daniels Midland.
- Role of complex carbohydrates from soybeans in inflammatory bowel disease (IBD)
- RS and SDS from cornstarch through ingredient processing.
 - Danisco, GPC and Tate & Lyle (potential)
- New varieties of slowly digestible and resistant starches from corn, through plant biotechnology
 - Starch Design LLC

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Jim Oliver Platform Leader

Information Technology

Mission

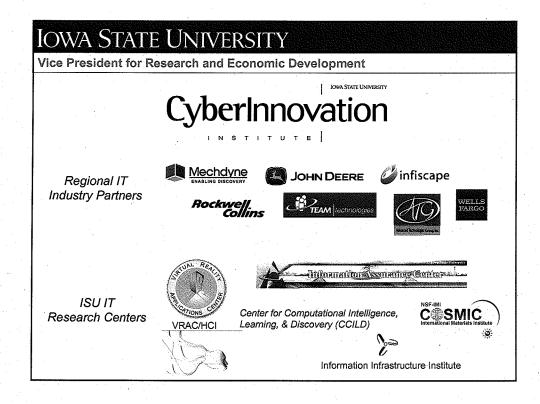
 Strengthen ISU's research in information sciences and information technologies (IT) and leverage it to grow lowa's economy

Budget

 2006: \$1,000,000 for establishment of the Cyber Innovation Institute







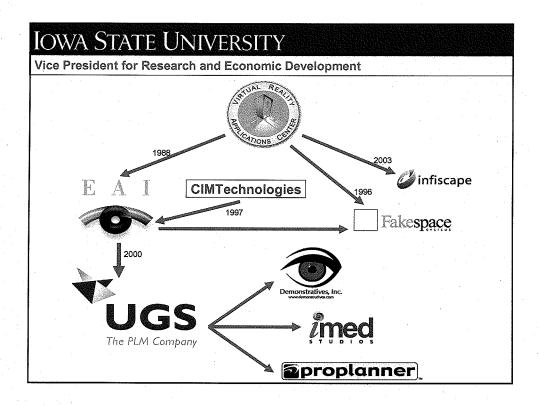
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Information Technology

Impact:



- Directly facilitate at least 6 new IT-focused startup companies in Iowa.
- Establish 3 new major research collaborations with established companies.
- Increase IT research expenditures at ISU by 40% compared to FY07.
- Establish research and commercialization relationships with SUI and/or UNI.
- Secure a major (multi-year, multimillion dollar) federally supported IT research initiative.



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Grow Iowa Values Fund

Strategy:

- · Fund Technology Transfer resources
- Fund projects that move research to application
- Commercialization through partnerships with Iowa companies or creation of new companies.
- \$1 to \$1 match minimum

Expected Results

- · Advance more basic research to application
- Encourage more private investment in research by providing matching funds
- · Advance developments created by Battelle platform investments

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Grow Iowa Values Fund

Funding:

- \$1.9M /year (FY07 is year 2 of 10)
 - \$600,000 Infrastructure
 - \$1,300,000 Research funding to promote partnerships with lowa industry and to commercialize the results of ISU research
- \$2.6M has been invested in research in the past 2 years
 - 26 projects (23 related to Battelle recommended platforms)
 - Involves more than 30 lowa companies from 14 different counties
 - · Large companies like GPC in Muscatine
 - · Small companies like Remington Hybrid Seeds in Osceola
 - · 4 new start-up companies are in various stages of formation

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Allen Bierbaum, President & CEO

Infiscape



Mission

- Spin off from VRAC, founded in 2003
 - 4 full-time employees, several part-time students and contractors
 - Self-funded and profitable
- Assists customers in applying immersive technologies to real-world problems
- Currently focus on consulting and contracting
- Goal to become a more product-based business
- Identified several new markets but lacked the resources to pursue these opportunities
- GIVF provided funding for 2 full-time employees

GIVF Funding: \$100,000

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Infiscape

Impact:

- GIVF funds have allowed us to dramatically increase our internal product development efforts and have jumpstarted our company growth.
- Successfully developed a prototype software product for the architectural and design market. This has been shown at several conferences and is being evaluated by potential customers.
- Made significant progress in the engineering software market. Details are still confidential.
- Added one full-time software engineering position and currently looking to fill another position.

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Steve Nissen

Metabolic Technologies Inc.

Project Objective:

Determine if bioactive vitamin- D compounds found in Solanum decreased egg breakage in laying hens

GIVF Funding:

\$150,000 (mostly equipment)

Other Funding:

SBIR: \$75,000 and internal funding of \$75,000



solanum glaucophyllum (Argentina)

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Metabolic Technologies

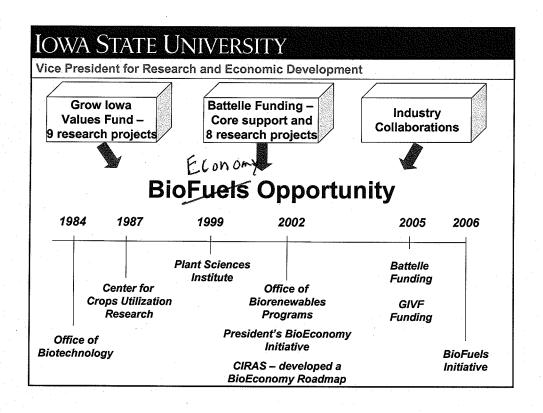
Outcomes:

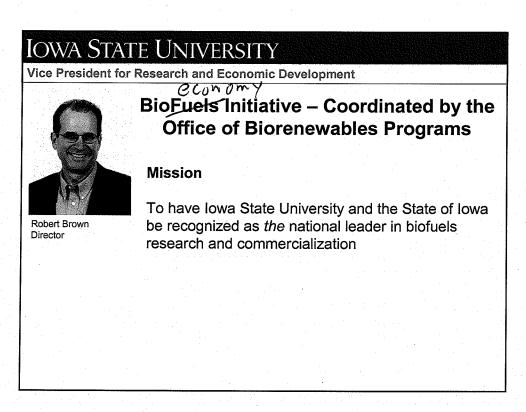
- Egg breakage lessened but food intake in hens compromised.
 Further purification is necessary to remove food intake suppressants
- <u>Spin-off opportunity:</u> Purified fractions of Solanum indicate bioactivity against certain cancers in cell culture. We are currently pursuing isolation/identification further testing.

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BioFuels Opportunity





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BioFuels Initiative – Seizing an Opportunity

- Summit Conference
 - · 420 people from all walks of life
 - · Report and action plan developed
- Sloan Center
- Industry Interactions
 - 12 companies are in various stages of discussions regarding collaborations for research and development efforts
 - One company has already committed to locating a facility in our Research Park
- Federal Funding



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SUMMARY: Investment In ISU For Success

- Core Programs IPRT Company Assistance, Research Park, SBDC
- Continuation of Grow lowa Values Fund
- Support for Battelle Initiatives
- Support for the BioFuels opportunity
- Core Funding to support university